



403(b) vs 457(b) Plan Comparison

Feature	457(b)	403(b)
Contribution maximum limits (can contribute to both plans)	2023: \$22,500; \$30,000 age 50+	2023: \$22,500; \$30,000 age 50+
Retirement Contributions Tax Credit	Up to \$1,000 (\$2,000 if filing jointly)	Up to \$1,000 (\$2,000 if filing jointly)
Early withdrawal penalty tax	None	10% unless qualified exception
Investment options	Managed allocations or self-directed mutual funds.	Fixed/Variable interest annuities or mutual funds/custodial accounts
Employer Investment Oversight	Yes, managed by TCG Advisors and Investment Advisory Committee (comprised of superintendents & CFO's).	No
Distribution restrictions	Funds can be requested upon: <ul style="list-style-type: none"> o Age 59 1/2 o Separation from employer o Disability o Death o Unforeseeable emergency 	Funds can be requested upon: <ul style="list-style-type: none"> o Age 59 1/2 o Age 55 and/or leaving employer o Disability o Death o Financial hardship
Financial Hardship/Unforeseeable Emergency Distributions	Must be an unforeseeable Emergency. Can include the following criteria is met: <ul style="list-style-type: none"> o Medical expenses o Funeral expenses o Foreclosure/eviction o Certain hurricanes and natural disasters 	Qualified for the following causes: <ul style="list-style-type: none"> o Medical care o Foreclosure/eviction o Tuition payment o Buying a home o Funeral costs o Home repair costs o Disaster relief
Loans	Permitted; loans from all qualified plans limited to the lesser of 50,000 or 50% of vested account balance.	Permitted; loans from all qualified plans limited to the lesser of \$50,000 or 50% of vested account balance.
Required minimum distributions	RMD rules apply at age 72 or later, severance from service, or after death.	RMD rules apply at age 72 or later, severance from service, or after death

Have questions? We're here to help.

TeleWealth Virtual Assistance is available at www.region10rams.org/telewealth or by calling the TCG Advisor Hotline at 512-600-5204.

